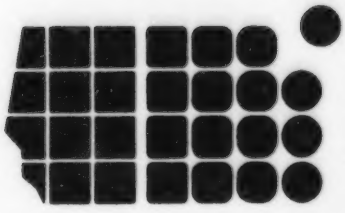
A Framework for Growth: Citizenship, Opportunity, and Fairness in the New Millennium

A Discussion Paper

September 1997



THE PREMIER'S COUNCIL
ON THE STATUS OF PERSONS WITH DISABILITIES
Alberta

The Premier's Council on the Status of Persons With Disabilities

The Premier's Council was created in 1988 with a ten-year mandate to advise the Government of Alberta on policies and programs affecting the lives of disabled Albertans. Its mission is:

> *"To enhance and promote the opportunity for full and equal participation of persons with disabilities in the life of the Province."*

The Council is involved in issues of equal opportunity and access in areas including education, employment, housing, recreation, and transportation.

The 1997 Growth Summit and the discussions it will catalyze across Alberta have profound implications for all Albertans, including Albertans with disabilities. For these reasons the Council will be a voice throughout these discussions.

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"the capacity to make decisions in the future, to mobilize support for substance - that is, political rationality – is at least as important as generating economic growth so that there will be resources to allocate."

Aaron Wildavsky
"Speaking Truth to Power – The Art and Craft of Policy Analysis"

THE PREMIER'S COUNCIL
ON THE STATUS OF PERSONS WITH DISABILITIES
Alberta

Rick Hansen
Honourary Chairperson

Dear Reader:

Over the past two and a half years, the Premier's Council on the Status of Persons with Disabilities has released a series of discussion papers on the changing context of public policy in Alberta. These papers have analyzed the potential impact of our changing environment on persons with disabilities and other disadvantaged Albertans; advocated policy approaches which support the inclusion of all Albertans within Alberta's communities; and called for the reaffirmation of those core values of citizenship, opportunity and fairness, as a foundation for future policy development.

As an organization whose prime focus is the status of persons with disabilities, our involvement in facilitating a broad debate on social policy, at times, has been questioned. However, we believe that, as the social fabric of a society is substantially altered, disability becomes but one factor affecting disadvantaged Albertans. We have embarked on this debate and analysis, because we believe that without it there would be nothing to ensure the value and inclusion of persons with disabilities in our community.

The Council also has a more specific concern. The restructuring of our service delivery system seems to have allowed many persons with disabilities to "fall through the cracks." These persons are going without appropriate services because they are not considered the responsibility of any particular authority or public program. These problems appear to reflect the "pressure points" within our evolving system. We fear, however, that they may also reflect the lack of a social vision that includes all Albertans.

It is in this context that this paper is offered and intended. We feel it is an important step to a broader discussion of a new vision for Alberta.

We encourage you to discuss this paper with your friends, family, colleagues and associates; and welcome your comments and suggestions regarding the content of the paper and the questions it poses.

Sincerely,

Gary McPherson

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Chair

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SUMMARY & CONCLUSIONS

As reprinted from page 41 and 42 of this document.

The 1997 Growth Summit is the symbolic door to Alberta's future. Before, during, and after the summit Albertans will discuss the future of their Province and plot its course into the next millennium.

There are many agendas for these discussions. One agenda surrounds the challenges of economic growth, realization of its potential, maximization of its benefits, and mitigation of its costs. A second agenda surrounds development of a sustainable and affordable policy/expenditure framework to guide the decision making of the Alberta Government. A third agenda that is inherent within the second is Alberta's definition of the role of government in post-deficit Canada. A fourth agenda surrounds development of a vision for Alberta's communities in the Province's second century. And finally, a fifth agenda, arising largely from the fourth, concerns Alberta's role in the Canadian federation and the leadership Albertans offer other Canadians.

These various agendas may not be explicitly detailed in the kits supplied to the Summit participants. They may not be apparent to those participating in the various mini-summits held across the Province preparatory to the Growth Summit. They may not be obvious to observers of the Summit process. But, Premier Klein and his Government have made a large investment in the Summit. Its findings will be "grist for the mill" as Cabinet and Caucus plot the course of the Government's second term. In that second term the following questions will be answered, either explicitly or implicitly by the Premier, his Government, the Province and its people.

Agenda 1: Challenges of Economic Growth

- What is Alberta's vision of growth for the future?
- How will the benefits of growth be distributed?
- How will the costs of growth be allocated?

Agenda 2: Sustainable and Affordable Policy/Expenditure Framework

- How will fiscal responsibility of government be defined in the future?
- Through tax cuts?
- Through spending limits?
- Through strategic investments?

Agenda 3: The Role of Government in Post-Deficit Canada

- What is the role of government in Alberta?
- What is the role of markets and the private sector?
- What is the role of the Provincial Government relative to the roles of local government?

Agenda 4: A Vision for Alberta's Communities

- What values will be expressed in Alberta's communities of the future?
- What are the roles of the Provincial Government, the private sector, and the voluntary sector in shaping the expression of these values?
- How will the interdependence of Albertans be defined within Alberta's communities?
- What role will Albertans who are disabled and/or disadvantaged play in their home communities?

Agenda 5: A Vision for Canada

- What is Alberta's vision of Canada in the next century?
- What role will Albertans play in shaping that vision?
- What core values do Albertans wish to see expressed within a renewed federation?

Whether it is apparent or not, discussions related to the Growth Summit commence the Provincial dialogue on these questions. Albertans are defining priorities and charting a course for the future. Whether or not they are appreciative of the implications of the priorities selected and the course charted, the impact and import remain the same. This is the reality arising from the context in which the Growth Summit has been convened. For better or for worse, these same realities define its various agendas.

PREFACE

Albertans enjoy an unprecedented opportunity. Facing the challenges created by sustained economic growth, they are embarked on a discussion which will chart future directions for their Province. The fiscal challenges of the early 1990's have been met. The Provincial deficit is abolished and the debt is rapidly being retired. While the government in Ottawa still struggles with the challenges of deficit elimination, Albertans are pondering re-investment options. While Ontario is closing hospitals, Alberta is reviewing the impact of "restructuring" the health care system and refining its earlier decisions. Alberta led the rest of Canada in the battle to restore the country to fiscal solvency. It is now presented with the opportunity to lead the rest of the country in defining the role of government in post-deficit Canada.

Governing post-deficit Canada will not be easy. Unlike governing in the deficit era, the "bottom line" for such a challenge is not easily calculated and the "accounting" is decidedly complex. Relevant criteria such as "quality of life" are both vague and subjective. Evaluating the worth of a socially cohesive community or estimating the present value of a future generation's education are complex equations. As well, globalization of the economy and the increasing application of technology create a highly dynamic world. Those Albertans charged with divining the future will, undoubtedly, soon realize that governing post-deficit Alberta promises to be just as, if not more, challenging as governing under fiscal restraint.

Charting a course for the future is of tremendous significance for all Albertans. However, that course is particularly significant to disadvantaged Albertans, including those with disabilities. Implicitly and explicitly that course will define the social roles of Albertans with disabilities and other disadvantaged persons in the next century. It is hoped, therefore, that all who participate in these discussions on the Province's future not only value the opportunity they enjoy, but appreciate the responsibility they have accepted.

The opportunity to lead other Canadians in charting the future is a compelling one. So is the opportunity to shape Alberta's course into its second century. Alberta has come of age. This paper acknowledges the Province's emergence as a leader in the Canadian federation and reviews the leadership, policy, and management challenges inherent in that role. It is hoped that its contents will contribute to the exciting discussions that will engage Albertans around the future of their Province.

INTRODUCTION

Nation Building and the 20th Century

Canada's public policy challenges of the next century will differ decidedly from those of the century about to close. The challenges of this century surrounded nation-building. The 1900s began with an agenda to settle the Northwest Territories, build an east-west Canadian economy and establish a dominion from sea-to-sea. That agenda would be supported by the newly completed Canadian Pacific Railway, a protectionist tariff structure and an aggressive immigration policy. Nation building in this century included the quest for autonomy. Canada entered the century as a colony of Great Britain, grew to become a respected autonomous member of the British Commonwealth and ultimately patriated her Constitution in the 1980s.

Nation building in this century included a struggle to define a social union. The challenges of mobilization in the First World War and the economic devastation of the Great Depression demanded massive intervention of government in the economy. That intervention would, by the middle of the century, be expressed in the welfare state. Programs such as Medicare and the Canada Pension Plan would become major defining elements of the social contract binding Canadians to each other.

Nation building in this century also included a struggle for cultural identity. The "French fact" dominated much of this struggle, a reality underscored by the Royal Commission on Bilingualism and Biculturalism of the 1960s, through to the referenda on sovereignty in the 80s and 90s. A concern for Canada's multi-cultural make-up and protection from the dominating influence of American media were other preoccupations associated with the Canadian identity.

The challenge of nation building thus truly set the agenda for public policy in Canada in the 20th Century. This agenda centered on making Canada a political, economic, social, cultural, and constitutional reality, separate, independent, and different from its founders in the Old World and its next-door neighbour in the New World.

Community Building in the 21st Century

The challenge of community building will set the public policy agenda in Canada's next century. The realities of interdependence with other countries will replace the former drive to independence from the mother-country. The realities of an integrated north-south economy within the Americas will counter the east-west axis of traditional Canadian protectionist economic policy. A cultural identity forged from European and American elements will increasingly engage the Oriental cultures of Pacific Asia. Globalization of the economy will truly lead to a global village. Trading practices, environmental protection, human rights, and child labour will increasingly be defined as global issues related to economic development and trade. They will be decreasingly defined as local issues related to the sovereignty of a particular jurisdiction. The interests of the global community will increasingly intrude in the affairs of local communities.

Technology and telecommunications will accelerate the integration of the global village and the global economy. As information flows more freely and rapidly throughout the world, concepts such as stranger, foreigner, neighbour, and fellow-citizen take on new meaning. The world itself will become one large community where people from around the globe interact daily on the basis of shared membership in a wide variety of networks. Membership in these networks will transcend national boundaries, span continents, and extend across cultures. They will range across shared concerns and cooperative activity in social, economic, cultural, and political affairs. The world will increasingly become a community of communities.

Governance in this world of multiple, overlapping, and diverse communities will be challenging. Established nation-states are already yielding some roles and responsibilities to subsidiary levels of government, for example, provinces and municipalities. The World Bank has urged developing countries to accept the constraints on national governments and entertain similar strategies. In Canada, federal, provincial, and municipal roles and responsibilities are undergoing review. In Ontario, the roles of the Province, Metropolitan Toronto, and its constituent cities are all under review and face potential restructuring in the "Who Does What?" exercise.

The challenges of governance have led most Canadian provinces to deliver health and social services on a regional basis where regions represent a defined catchment or natural trading area. Alberta has recently gone further than most in this regard. In 1994, it created Regional Health Authorities with a mandate to plan, allocate resources, and deliver services within a given region. School Boards in Alberta were also restructured, losing their former capacity to derive funds from local property taxes, and brought under more direct control of the Education Ministry in resource allocation and hiring decisions. The rationale and framework for such restructuring is not always self-evident. The criteria for devolution of authority to local governments at times seems unclear. Obviously defining and clarifying regional and provincial roles is a major challenge in establishing governance structures appropriate to the needs of the various communities which will comprise Canada today and in the future.

Citizenship, Opportunity, Fairness

Establishing governance structures appropriate to tomorrow's communities reflects the significance of questions around three key concepts: citizenship, opportunity, and fairness.

- ***Citizenship***
    - In the future, the world will be defined as a community of communities. In such a world what will citizenship mean? What roles, responsibilities, and entitlements will accompany national, provincial, and regional expressions of citizenship?
- ***Opportunity***
    - In the future, communities will be increasingly defined by markets. Relationships between communities will be increasingly shaped by trade. Will the ability to pay determine the extent of a citizen's participation in the community? Will the participation of all citizens be valued? What role will government play in removing obstacles to participation in the community?

- ***Fairness***

    - In the future governments are less likely to pursue equity and/or equality through direct intervention. How will disparities between geographic regions and social groups be viewed? How will the concepts of equity and equality be expressed within the various sectors of society and within differing types of communities? What will be the social roles of citizens with disabilities or other disadvantages?

These are the questions which must be addressed if we are to succeed in the challenge of community building. The legacy of Alberta's communities includes a high regard for the principles inherent in the concepts of citizenship, opportunity, and fairness. The future of Alberta's communities would be well served by their delineation in current discussions.

The Discussion Paper

The title of this discussion paper reflects the centrality of the concepts of citizenship, opportunity, and fairness to the discussions in which Albertans are now engaged. The discussions contained herein range across a variety of topics. The key concepts of citizenship, opportunity, and fairness are a major underlying theme in each discussion.

The three discussion topics are as follows:

- Beyond the "Alberta Advantage"
- Building Communities, Governing Regions
- Government Versus Governance: Public Policy and Management in the Next Century

Questions are added at the end of each discussion to provoke and guide further reflection.

Beyond the "Alberta Advantage"

ECONOMIC DEVELOPMENT IN ALBERTA

Current Status

Alberta's economy is strong. World oil prices have remained both relatively and consistently high. Exploration and development activity within this sector is consequently robust. A new federal and provincial tax regime is enabling continuing investment in Alberta's tarsands. Pipeline construction and the Nova-Union Carbide "cracker" at Joffre highlight the list of new mega-projects in Alberta. Expansion of the forestry industry and secondary processing of Alberta's agricultural commodities have broadened the traditional base of Alberta's economy. Alberta's exports increasingly include technology and consulting. Alberta's mountain parks remain an important destination for international tourists. The economic development goals of the 1980's to further develop and diversify Alberta's economy have largely been realized in the 1990's.

Alberta's comparative advantages are strong. The Province's natural resources of coal, oil, gas, and tarsands have enabled the growth and development of an energy sector that is a world leader in extraction and processing technologies. Proximity to the American market coupled with the North American Free Trade Agreement (NAFTA) facilitate the export of Alberta's resources and commodities which could never be absorbed within internal markets. Although not on tidewater the Province enjoys easy access to Pacific Asia, a huge market for products such as processed foods. And, of course, the "Alberta Advantage," an economic development strategy focussed on providing a favourable climate for investment and trade remains a major policy stance of the Klein Government. Alberta's response to globalization of the economy and its attendant challenges of competitiveness has essentially been two-fold: building on its traditional strengths in resource extraction and commodity production on the one hand and eliminating barriers to trade and investment on the other.

Emerging Realities

The ongoing challenge of competitiveness will however, in the near future, demand more than elimination of trade and investment barriers. Economic development strategy will increasingly have to recognize and address several emerging realities:

- the impact of research and technology upon the economy and the importance of public policy in facilitating its development,
- the limits to growth and related issues of sustainability,
- the impact of the "knowledge economy" on human resource requirements and the implications for labour market policy,
- the impact of "quality of life" considerations in the locational decisions of investors and "knowledge workers."

Given these realities, the non-interventionist, "low-cost" philosophy which is the basis of the "Alberta Advantage" will, in future, need to be complemented with another strategy. Such a strategy must add value beyond the comparative advantage of low cost. It must recognize that many natural resources are non-renewable. Future public policy in Alberta must support the availability of a highly educated work force which can think critically, problem solve, innovate, adapt readily to change, and work in teams. It must facilitate investment in research and technology. As well, public policy will need to reflect the importance of high quality educational and health care systems, to investment decisions. These service systems, along with recreational and cultural facilities, safe communities, and protected environments will increasingly define comparative advantage in the global economy.

Economic Development and the "Business" of Government

In recent years the role of government in economic development has been hotly debated within Alberta. The 1970s and 80s were typified by a high degree of government intervention in the economy through direct investment in "hard" infrastructure. Irrigation systems and dams, highways and airports, grain cars and railroad terminals, golf courses and ski hills were all provided by the Government of Alberta to support economic development.

The Klein Government's approach to economic development of course has differed widely. As discussed above, much of the "Alberta Advantage" focuses on retreat from intervention in the economy and the creation of a "level playing field" to attract investment and trade. The cornerstone of the "Alberta Advantage" has been a low tax regime. The attractive tax environment has been augmented by a "business friendly" regulatory climate and a labour market policy based on a low minimum wage, low "payroll taxes," and an "active" training/employment philosophy.

Tomorrow's challenge of competitiveness demands a different role for government, one that frees public policy from the polarizing debate of intervention versus non-intervention. The "business" of government in the future will continue to address the challenge of competitiveness in the global economy. It will do so, however, within a context that acknowledges the "value-added" considerations of high quality educational and health care systems, protected environments, recreational and cultural opportunities, and safe, healthy communities.

A framework to pursue this new expression of economic development is the subject of the following discussion.

ECONOMIC DEVELOPMENT OUTCOMES FOR THE NEXT CENTURY

Competitiveness, Population Health and Social Cohesion

In the next century, governments will be held accountable for achievement of three economic development outcomes:

- **Competitiveness** - defined here as the capacity of a given economy to grow and prosper in a global context;
- **Enhancement of Population Health** - defined here as the improvement of the overall health status of a given population;
- **Social Cohesion** - defined here as the capacity of a given society to maintain social order.

The significance of these three key result areas and their interrelationship is as follows:

Competitiveness

The phrase global economy has become almost trite. Use of the expression has become so commonplace that it can lack both meaning and implication. This may be particularly so to Albertans, who have always lived in a "global economy." It should be remembered that the prevailing vision behind the Province's settlement was to become "the bread basket of the world." However, for Albertans, the significance of the phrase "global economy" still outweighs its triteness. Its relevance to outcomes pursued by governments in the next century warrants discussion.

In comparative terms, Alberta is a small economy. The Province has a limited population base. Its internal markets are too small to absorb the natural resources extracted in the Province, the commodities produced within its borders and/or the goods and services offered by its companies. Alberta must trade, and markets open to Alberta's exports are critical to Alberta's economic growth.

Alberta must secure investment. Economic growth is dependent upon the development of value-added production. Such growth requires investment in the research and development of secondary processing. Investment is necessary to build the physical plant in which secondary processing takes place. It is further processing that transforms Alberta's resources and commodities into value-added products. Investment in research and technology is necessary to sustain Alberta's competitive position in an increasingly competitive world. Research and development is also vital to development of new products and processes and to maximizing the return from limited resources.

Alberta's future economic growth is clearly dependent on its attractiveness to traders, investors, and "knowledge workers." This marketplace reality is central to the "Alberta Advantage," the economic development strategy of the Alberta Government.

Some Implications of Competitiveness

The pursuit of competitiveness along with the associated drive for fiscal solvency has prompted the Alberta Government to reduce its intervention in the economy in a wide variety of ways. Reducing the cost of government through downsizing of the public service and regulatory reform aimed at "cutting red tape" are but two examples. Divesting itself of ownership and loan guarantees in a variety of enterprises from pulp mills to a waste treatment plant is another. However, divestment of interest in such investments symbolizes a much larger divestment, the abandonment of traditional regional development strategies.

Canadian governments, federal and provincial, have long used their spending power to facilitate regional development and mitigate regional disparities. Regions disadvantaged by location, lack of natural resources and/ or investment capital have long been the beneficiaries of regional development programs and subsidies. Such programs were complemented by locating public works and institutions, such as prisons, parks and asylums in slow growth areas. In more recent times, post-secondary institutions and hospitals became the preferred vehicles for public investment and job creation in such areas. And as the case of Atlantic Canada attests, income support programs such as Unemployment Insurance and Social Assistance have also served to transfer public money from regions enjoying economic growth to those of slow growth or no growth.

The new orthodoxy of non-intervention is bringing an end to regional development programs, especially subsidies. At the same time, income support programs have been placed on an "active" as opposed to "passive" footing. Recipients of these programs are expected to be retraining and/or actively seeking employment. Employment may well mean relocation to another regions. Employment Insurance and "Workfare" models of Social Assistance now facilitate, rather than impair labour market forces.

Without the mitigation of subsidies, regional development initiatives and passive income support programs, regional disparities will in all likelihood increase. Already the gap between the "haves" and "have-nots" in Canada is growing. The growing polarization of these two groups of Canadians will soon be matched by growing polarization between regions, even within a single Province. Alberta is a case in point. Some regions of the Province are enjoying "boom conditions" while growth in others is slow. Economic growth in slow growth regions must somehow be facilitated without returning to subsidies, regional development initiatives, and passive income support programs. Such facilitation of growth is necessary to address the growing potential for polarization that can threaten social cohesion.

Social Cohesion

Social cohesion is the "glue" which holds society together. In sociological terms, it includes adherence to the norms, traditions and rituals of a given culture. Political scientists would include respect for, and adherence to, the institutions of governance. Social cohesion can be observed in our respect for and willingness to conform to the laws and regulations governing our everyday lives. Obeying the "rules of the road" when driving is one example. Participation in the political, economic and social institutions of our society is another. Voter participation in an election reflects, among other things, society's perception of the legitimacy of the electoral process. Participation in the economy through "gainful employment" similarly reflects the legitimacy of our economic system.

The breakdown of social cohesion is reflected in deviant behavior. Criminal activity of gangs is an obvious example. Rioting is another. However, social cohesion also shows signs of cracking when citizens evade taxes. The "underground economy" in which goods and services are exchanged without records being kept or taxes being paid is an important case in point. Canada's taxation systems rest on the foundation of self-assessment. Our tax laws and revenue collection procedures assume that our citizens accept the legitimacy of our tax regime and will, voluntarily, comply with them. When tax evasion occurs, the government experiences a loss in public revenue. But society experiences a much more significant loss, a loss of social trust. Widespread tax evasion makes a profound statement that the private interests of individuals are not perceived to be linked to the collective interests of society. The well-being of individuals has, at this point become unhinged from the well-being of the community.

Some Implications of Social Cohesion

The maintenance of social cohesion is a constant challenge in any society. Our changing economy, however, is demanding and complicating in this regard. Ongoing pursuit of productivity gains and the continuing application of technology relentlessly displace workers from their jobs. This

challenge of unemployment is matched by a challenge of "underemployment." Here the "working poor" receive low wages for low skill jobs and/or limited employee benefits for part-time jobs. The disadvantaged traditionally comprised this labour pool of persons marginally attached to the work force. In the 1990s, however, those marginally attached to the work force include youth, who face barriers to entering the job market, and the middle-aged, who have been "downsized" from it. Those disadvantaged by disability or other causes may have had low expectations around "life chances." However, underemployed youth and the downsized middle-aged have held high expectations about their appropriate share of the rewards from a prosperous economy. Their now fragile attachment to employment may well lead to fragile attachment to the institutions of civil society. Apathy, crime and social unrest can result. The plight of Canada's aboriginal people is an example.

The challenge of maintaining social cohesion while pursuing economic growth is well understood in some quarters. The Organization for Economic Cooperation and Development (OECD), while offering no solutions, nevertheless recognizes the need for balance in this area. The challenge of combining economic growth with social cohesion is exemplified by imbalances in labour markets. Labour market demand for particular trades is currently high and occupation in such trades can yield high incomes. But social status and social power in Canada are overwhelmingly associated with university graduation. We have not been a society stratified on the European model. Thus university educated youth in Canada may well be underemployed while jobs in the trades go begging.

Maintaining social cohesion is essentially a challenge of inclusion. In our culture, participation in the economy through gainful employment is a major determinant of inclusion. Income from employment provides for the necessities (and luxuries) of life. However, the job market allocates more than wage and salaries. It distributes status within one's community and respect of one's fellow citizens. In this way, it plays a part in shaping the self-worth and dignity of each individual. Employment is a prerequisite to being valued and included in community. Unemployment is a first step to marginalization and exclusion from community. If we are to maintain social cohesion, we

must somehow enlarge the employment prospects of our fellow citizens or secure their inclusion in community through other means.

Population Health

Employment and income are also critical determinants of health. As discussed above, wages and salaries provide for the necessities of life. Housing, nutrition, hygiene and safety all impact health, and the quality and quantity of each is directly shaped by employment and income. These so-called social determinants of health are major factors in determining the health status of a given population.

Population health and social determinants of health are concepts whose significance in recent years has been obscured by debates over the costs of health care and the future of Medicare. Fiscal solvency, however, seems to be quieting that debate. As well, throughout the public discussion on the future of Medicare, one message has been clear - Canadians value their publicly funded health care system and demand its continuance. Provinces are responding by restructuring the health care delivery system. Achievement of economy, efficiency and effectiveness is a major goal of this restructuring, as is demonstrated accessibility of health care services. Defining "core services" and determining what is medically necessary are key elements in achieving both the fiscal accountability (defined by economy) efficiency and effectiveness criteria, and public accountability (largely defined as accessibility). Once this policy challenge is addressed, enhancing population health is likely to emerge as a major public policy issue.

Some Implications of Population Health

Appreciation of the concept of population health and its social determinants illuminates an emerging challenge for public policy. The push to competitiveness within the private sector has catalyzed downsizing, wage and salary reductions and increased use of part-time employment. The public sector's response to competitiveness has included reductions in income support programs. Both sectors advocate changes in training and other labour market strategies.

However, generally speaking, neither has put forward meaningful job creation strategies, and neither accepts responsibility for doing so. Some individual corporations have recently adopted programs to increase employment opportunities for youth. These initiatives aside, a conviction that "trickle-down" economics will ultimately enhance the employment picture, as in the case of the United States, often seems to be the solitary policy option.

Meanwhile, the gap between "haves" and "have-nots" is increasing. The gap between regions enjoying rapid growth and those of slow growth is also increasing. Regional development programs, subsidies and passive income support programs, which formerly transferred income to both "have-not" regions and "have-not" people, have been curtailed or modified. Just at the time we have come to appreciate the impact of employment and income upon population health, we are witnessing the exhaustion of policies to generate employment. We are also witnessing the popularity of reducing income to the most vulnerable in society, either through reducing income support programs or labour market wages.

Other social determinants of health include the support of family and community. Yet those who are most marginally attached to the labour market are most likely to face the stern judgment of policy makers. In fact, prevailing labour market policy may expect them to leave their families and home communities, despite the critical role these supports are known to provide to an individual's well-being.

If we cannot develop innovative approaches to job creation, the alternative is clear. We must recognize the central role employment plays in both securing inclusion in community and determining population health. We must then develop policy options that achieve these goals despite the intractability of the unemployment/underemployment conundrum.

Summary and Implications

Globalization of the economy demands that Alberta ensure its competitiveness in the global markets of trade and investment. Strategies to enhance competitiveness, however, precipitate

other policy challenges. Non-intervention by government in regional development and job creation widens the gap between "have" and "have-not" groups and "have" and "have-not" regions. This widening gap holds significant implications for the maintenance of social cohesion and the enhancement of health particularly within disadvantaged populations. Given the lack of policy innovation in the job creation area, new alternatives to traditional employment must be sought if these negative impacts of unemployment/underemployment are to be mitigated. Adoption of competitiveness, social cohesion and population health as the societal outcomes to be pursued by the Alberta Government would recognize this need for mitigation.

The Government of Alberta, in its business planning process, has already endorsed the concept of societal outcomes. These are currently defined as "People, Prosperity and Preservation." The Government has also implicitly endorsed competitiveness as an overriding goal of public policy. The "Alberta Advantage" reflects this reality, defining the comparative advantage Alberta now offers traders and investors. Clearly, the Alberta Government has taken some critical steps to define the overriding policy goals of government for the next century. It needs to continue on this path. Adopting competitiveness, social cohesion, and population health as the societal outcomes pursued by its policies would represent a further, and major, step.

Both the challenges and opportunities presented by sustained economic growth can be addressed through a balanced and integrated framework. A tripartite framework such as competitiveness, social cohesion, and population health should be the basis for a new economic development strategy for Alberta.

Questions for Discussion

How should the roles of government and the private sector be defined in the economy of the new millennium?

How can economic growth, employment, and income within slow-growth regions and disadvantaged groups be facilitated?

Building Communities: Governing Regions

REGIONAL DELIVERY, REGIONAL DEVELOPMENT, REGIONAL GOVERNANCE

Current Policy and Management Challenges

We will soon enter a new century. That century seems likely to open with a new vision of Canada. In one form or another, Confederation will be redefined to greet the new millennium. Renewing the federation to meet the governance challenges of the next century is obviously necessary. The changing role of the nation-state, particularly in the context of the global economy must be reflected in new federal-provincial arrangements. The changing focus of public policy, restructuring the delivery of public services, and constraints on the fiscal capacity of governments all demand renewal of our federal-provincial governance structure. These same realities demand renewal of local governance.

At the time of writing, local governance in Alberta is under review:

- Regional Health Authorities (RHAs) are a focus of a discussion from a variety of perspectives. A consultant's report on governance, a debate on whether Board Members should be elected or appointed and an exercise to define "core services" are only some of the forums in which the roles of the RHAs are being discussed.

- The creation of the proposed Children's Services Authorities is similarly under review. The Minister of Family and Social Services has recently announced that child care workers delivering services under the mandate of these authorities will remain employees of the Provincial Government, a reversal of an earlier policy stance. The Children's Services Authorities, it seems, will follow a different template than that of the RHAs.

- School boards in Alberta have been "restructured." Among other changes, school boards have been brought under more direct control of Alberta Education in resource allocation and hiring decisions. The Calgary board is currently under review by Alberta Education.

- In the economic policy area, "Building on the Alberta Advantage," the economic development strategy developed by the Alberta Economic Development Authority calls for self-reliant communities. Little or no elaboration is provided to describe the policy implications of this phrase. Assumedly, it formalizes the ending of regional development initiatives, particularly the use of subsidies and loan guarantees undertaken by the former government.

The initiatives in health care, children's services and economic development strategy all suggest that as the role of the provincial government is redefined, local governance structures need review. However, such reviews need to be undertaken in the context of a framework which specifies the societal outcomes such local governance structures are to achieve.

The pursuit of societal outcomes already presents formidable policy and management challenges to governments and the public service that supports them. The challenges surround:

- the traditional functional structure of government

- the traditional role of the public sector in service delivery

- the traditional definition of policy implicit in a service delivery role.

These challenges become even more perplexing when subsidiarization of provincial roles to local government structures is pursued. Understanding these challenges is, however, imperative if societal outcomes are to be effectively pursued and the roles of both provincial and local governments appropriately defined.

Functional Structure in Government

Government departments are structured by functional areas, for example, Justice, Municipal Affairs and Environmental Protection. Cabinet Ministers and Deputy Ministers consequently represent one particular functional area of public policy. Legislative mandates follow the same pattern, and business plans and budgets are developed within this same functional structure.

Integration across these functional structures in pursuit of societal outcomes can prove challenging. Some degree of integration is generally pursued at the Cabinet and/or Caucus level. Committee structures often link departments into functional "envelopes", for example, a Social Policy Committee of Cabinet or Standing Policy Committee on Regional Development. Integration can also be pursued through interdepartmental committees. In this case, one department is often identified as the "lead agency." However, integrating the functional structure of government departments into an ***interdependent*** framework of results culminating in societal outcomes remains a major challenge to public policy and management. To date, integration across the isolated "smoke stacks" of government departments has proven difficult to achieve.

The Traditional Role of Service Delivery

The challenge of integration is often most obvious at the level at which public policy makes its impact: communities and citizens. Municipalities and/or communities of interest often find themselves impacted by programs delivered by two or more government departments. They also often find that these programs are in conflict. Citizens find that services delivered by one department do not mesh well with services delivered by another.

In these cases the integration challenges of functionally structured departments is complicated by the organization of services they deliver. From the 1960s to the 1990s, government became increasingly programmatic. Services were designed to fit a designated client group. Seniors' Housing, Women's Shelters and the Vocational Rehabilitation of Disabled Persons program

exemplify these programmatic approaches to service delivery. Programs, of course, reflect only one small slice of a client's life. However, accountability for these programs was generally based on the impact of the program upon the clients, regardless of what other programs or events were also making an impact on the same clients.

Service Delivery and Policy

When government's role was implicitly defined as program or service delivery, policy was necessarily defined accordingly. Legislation, regulations, and budgets as well as delivery structures and systems reflected the bundling of government activity into programmatic packages. Programs with conflicting mandates or gaps in service were the inevitable result.

The reality of service gaps or conflicting public programs ultimately catalyzed a variety of reactions. Clients or "customers" of government services often demanded better service. Integrated delivery or "one window" service resulted as in the case of co-location of labour market services. Business planning required by the Klein Government integrated programs within a given department into a departmental business framework. The Alberta Government's declaration of these societal outcomes of "People, Prosperity and Preservation" as the overarching goals of government provided a further integrating framework for programs delivered by all departments.

Policy became implicitly redefined. In a programmatic context, policy was defined as activity related to serving a designated client and accountability was defined as impact on that client. In a business planning context, policy became defined as the impact on a variety of stakeholders within a sector of the society or economy. This shift is evident in the area of labour market services. In the past, policy on income support programs was concerned with defining the appropriate level of income provided to a recipient. If the amount was such that it blunted incentive to seek employment, such a concern was largely irrelevant. Today, policy on income support programs reflects the interest not only of recipients but employers, taxpayers and other stakeholders. Policy is shaped within a training/employment business context, not an income support program context.

The Business of Government

Many of the challenges emanating from the traditional structure, service delivery role and programmatic definition of policy, within the public sector, have been addressed by the Klein government's restructuring. However, other challenges remain. This is particularly the case where subsidiarization to the RHAs and Children's Service Authorities is concerned. Current policy development exercises, such as the "core services" consultation led by Alberta Health, exemplify the need for a framework. Defining core services demands delineation of the role of the Provincial Government and role of the RHAs. Resolution of these roles requires a policy framework outlining the rationale for a given governance structure. Such a framework should logically begin with defining the "business" of government.

It was earlier asserted in this paper that the challenge of government in the next century surrounded community building. From these earlier discussions, it should be concluded that the "business" of government could be defined as "facilitation of the development of sustainable communities at the international, national, provincial and local levels."

Sustainable communities can be of many types. Communities of interest, such as arts organizations, may be considered sustainable when they are not unduly dependent upon government grants. Municipal communities may be considered sustainable when the tax base and other revenue sources provide sufficient income to finance the administrative infrastructure and services required by their incorporated status. Conversely, a geographic community dependent upon a particular industry or enterprise may not be sustainable in the face of economic change. The abandoned coal towns of Alberta speak to this reality. Sustainable communities can be cultural in definition, as supporters of sovereignty association or separation in Quebec would point out. Concerned with the viability of a francophone community within Canada, they seek a new political identity and relationship with the rest of the country.

Sustainable Communities and Subsidiarization

This discussion paper is concerned primarily with the concept of sustainable communities at the local level within the Province of Alberta. It is also concerned with the concept of susidiarization. The two concepts are related but distinct. A given geographic community may well be an established "natural trading area." The economic base may be strong, supporting a population that is growing. Towns and villages within this "natural trading area" may be quite sustainable. However, the population base may be well short of the critical mass necessary to support subsidiarization of a Provincial public service. For example, in the case of the RHAs, the population comprising a catchment area may be insufficient to warrant the administrative overhead of a separate authority. Further, the demand for services may be insufficient to support effective, efficient and economic service delivery within a freestanding RHA. The "business" of government thus comes to surround two questions:

- What are the various criteria that define sustainability for different types of communities?
- What are the various criteria that define the capability of communities to support subsidiarization?

In the case of a near city-state such as Calgary, the distinction between sustainability of a community and capability to support subsidiarization may seem inconsequential. But when one considers rural as opposed to urban areas, what appear to be "niceties" become significant policy issues.

Subsidiarization and Governance

The capability of a community or a group of communities within a region to support subsidiarization is dependent upon three further questions:

- What is the challenge associated with the service which is being devolved or decentralized to a local authority?
- What is an appropriate governance structure, given the particular nature of that challenge?
- What challenges are faced by the regions designated to be served by a local authority?

The RHAs again serve as an example. The governance model used for the RHAs may be quite appropriate to the delivery of health care services. These would include traditional treatment and diagnostic services, public health services and long-term care services. Assumedly, such services should be reasonably consistent if not uniform across the Province.

The governance model most appropriate to delivery of such a consistent service is essentially a "franchising" model. A "fixed menu" of services delivered at appropriate standards is mandated to a local authority. The Provincial Government, in the assurance role of franchiser, reviews the performance of the franchisee to ensure compliance. Such a governance model, however, is not at all appropriate to the interventions required to enhance population health. Given the significance of the social determinants of health and income, the enhancement of population health is directly dependent upon social and economic development.

The challenge of social and economic development is not consistent with a governance model which facilitates "franchising." Economic and social development in an age of non-intervention by government is very much a "bottom-up" challenge. The franchise model is very much a "top-down" model, not facilitative of innovation but rather designed to ensure the commonality of practice. Clearly, understanding the nature of the provincial service to be subsidiarized, and the challenges faced by the communities and regions in question is a necessary first step in defining appropriate regional governance models.

Policy Integration and Regional Development

Regional delivery of provincial services through a franchising governance model is also not conducive to integration with other policy areas. The emphasis on common practices and standards places a programmatic definition of policy on service delivery. Integrating the delivery of health care services into the "business" of regional development, for example, means facing the familiar challenge of integrating a programmatic definition of policy into a broader business definition of policy. The isolated "smokestacks" of government departments simply re-emerge at the regional level. Regional development may not, therefore, be a "good fit" with some models of regional governance. The enhancement of population health may not easily be pursued by RHAs.

Societal Outcomes and Regional Challenges

If the "business" of government is facilitation of sustainable communities, government should logically be concerned with regional development. It should be particularly concerned with those regions facing particular challenges with competitiveness, population health and social cohesion. If intervention through regional development is no longer appropriate, then new approaches require definition. A first step in defining these approaches is to determine whether the region's challenges are best served by provincial policy focused on regional delivery, regional development, or regional governance. It may well be that one approach is most suited to the challenges of one region and a different approach(es) to the challenges of other regions.

Policy Integration and Societal Outcomes

The pursuit of societal outcomes, such as competitiveness, population health, and social cohesion at the provincial and/or regional level,has major implications for the planning and policy development process within Alberta's public sector. Currently the planning and policy development process operates within a very broad definition. Within some departments the planning and policy development process focuses primarily on the industry the department is

established to serve, e.g. agriculture, forestry, tourism, etc. In other cases, the planning and policy development processes focuses extensively on financial analysis of infrastructure considered to fall within the department's stewardship responsibility. Such infrastructure includes highways, airports, dams, irrigation systems, and public buildings. The planning and policy development process may also focus on federal presence within a given portfolio and implications for provincial policy given that federal presence.

Such disparate processes reflect several realities. First, concepts such as strategic planning can vary widely in meaning. Strategic planning can mean aligning all departmental activity into a framework of goals and objectives in pursuit of a business plan. It can also mean analysis of opportunities for Alberta firms in overseas markets. Second, the planning and policy development process within the public sector necessarily reflects the diverse roles and responsibilities of government. Third, they reflect that the planning and policy development process within Alberta's public sector has taken place primarily at the ***department*** level. Varying interpretations of what the process is about inevitably results. If the Alberta Government is to effectively pursue the societal outcomes of competitiveness, social cohesion, and population health, then a new planning and policy development process seems imperative.

Summary and Conclusion

The "business" of government in the next century is about community building. In the context of the global economy, community building can be defined as facilitating the sustainability of communities through a focus on competitiveness of the economy, enhancement of population health and maintenance of social cohesion.

Facilitation of community building demands an appreciation of the particular challenges faced by communities and the region in which they are located. Understanding those challenges is critical to sound decision-making around questions of regional delivery, regional development and regional governance. The needs of communities and regions are different and "one size does not fit all." As local governance in Alberta is considered, the impact of subsidiarization of provincial

services needs careful consideration. The appropriateness of a particular governance structure needs to be carefully considered, as does the capability of a given catchment area to support a given service or structure. To date, many of the policy initiatives in this area have had their origins within the "restructuring" agenda of the Klein Government. It is now time to switch the focus of the agenda to the regional challenges of competitiveness, population health, and social cohesion.

Questions for Discussion

What public services should be devolved or decentralized to the local government level?

What criteria should be used to define the governance and delivery structure for such services?

How can the planning and policy development process within Alberta's public sector be restructured to effectively support pursuit of the societal outcomes of competitiveness, social cohesion, and population health?

Government Versus Governance: Public Policy and Management in the Next Century

THE ROLES OF GOVERNMENT IN THE NEXT CENTURY

The "Business" of Government

If the "business of government in the next century is the business of community building obvious questions arise:

- How is government in that "business?"
- What are the roles that it plays in pursuit of that business?

Defining the "business" of government in the next century and the role it plays in pursuit of that business is the crux of the challenge confronting the Alberta Government. After four years of fiscal restraint and three years of huge revenue surpluses, public expectations about government spending are both varied and volatile. Many Albertans feel the government can afford to substantially increase spending. Moreover they feel the objects of such increased expenditure are obvious. In urban areas, the health care system is identified as an obvious candidate for enhanced funding. In rural areas, roads and other transportation infrastructure are identified as most worthy of supplementary funding. Allocating resources between health care on the one hand and transportation on the other is bedevilling to say the least. Adding a rural/urban dynamic to the mix is even more confounding to the decision-making process. The "business" of government in the next century including its roles and priorities desperately requires elucidation.

The Challenge of Growth

A booming economy in this context is very much a mixed blessing. Sustained economic growth offers obvious benefits in the form of increased economic activity, job creation, and growth in incomes. However, such impacts can be highly differential. Economic growth can quickly widen

the gap between "have" and "have not" regions and "have" and "have not" groups. Such differential growth can yield a variety of results. "Have not" regions and groups understandably feel aggrieved by the growth in disparities. "Have" regions, on the other hand, may be increasingly unsympathetic to "have not" regions as economic growth invariably results in enhanced "subsidization" of "have not" communities by "have" communities. The pooling of revenues from property taxes to fund education across the Province is a case in point. "Have" communities may increasingly resent the perceived inequity represented by a portion of "their" taxes funding schools in other communities.

There are other questions precipitated by fiscal solvency and economic growth that extend beyond the challenges of resource allocation. For some Albertans, the most salient questions to be asked include:

- Fiscal responsibility for what? What was the larger purpose behind the struggle to abolish the deficit and retire the debt?
- What is the government's new agenda? With fiscal challenges seemingly addressed and the prospects for economic growth confirmed, what is the Klein Government's vision for Alberta?
- What are the expected outcomes of the Growth Summit? How will these outcomes be addressed by the Klein Government?

Some Albertans may even question the assumed values associated with economic growth. These voices may focus on the "social costs" of economic growth. The rapid influx of people from other parts of Canada, the rise in the numbers of homeless people on the streets of Alberta's cities, and an increase in criminal activity are all seen as products of economic growth and detractors from the quality of life in Alberta's communities. Still others see the environmental costs of mining adjacent to national parks, urban sprawl over depleting arable land, and continued encroachment on diminishing natural areas as a large price to pay. Therefore, they question how such activity can be construed as growth.

The Need for Shared Vision

A lack of consensus on spending priorities, questions of larger purpose and challenges to prevailing assumptions about growth are indicators of a healthy democracy. However, they also speak to the need for a shared vision of the future, a common agenda which defines collective interest, distinguishes public goods from private goods, and articulates the definition of shared membership (the foundation for community).

The need for a shared vision exists within all communities and is essential to the preservation of a stable democracy. However, the need is particularly critical within Alberta and Canada at this time. Within Canada globalization of the economy is redefining a national identity formerly based on the nation-state. The expression of what it means to be Canadian can no longer be readily defined by geo-political boundaries. The realities of trade, telecommunications, and English as the international language of business preclude isolation from the larger world.

Within Alberta the struggles of the last century to settle the land, become a Province, establish an identity, and articulate the Province's readiness to be a full and active partner in the federation have been won. The "Klein Revolution" has largely defined the agenda of fiscal restraint and "restructuring" of the public sector now being pursued across Canada. The Opposition in Ottawa has its base in Alberta, and Calgary is home to its leader. The growth of the Alberta economy, along with British Columbia's, has precipitated a westward shift in the economic balance of power in Canada. The emergence of Calgary, as a "head office" for many Canadian corporations and a commercial capital within the global economy, speaks to that reality. Alberta has come of age within Confederation.

Many Albertans are at this time asking each other, "fiscal responsibility for what?" Other Canadians could well be asking Albertans at this time, "economic and political clout for what?" The quest for a policy and expenditure framework inherent in the convening of the upcoming Growth Summit underscores Alberta's need for much more than a fiscal plan and economic development strategy. Alberta is seeking to define its role within Confederation and pondering its

place within the global economy. Given this need for a larger sense of purpose, no list of projects worthy of "reinvestment," schedule for debt elimination, or charter for sustainable growth emerging from the Growth Summit will alone suffice. Alberta has "arrived" and now faces the challenge of defining exactly what that arrival means.

Government and Governance

Developing such a shared vision for the Province is the unique responsibility of our elected leaders. This role and responsibility of the Government is integral to our political and constitutional traditions. Much has been made in recent years of the need for "shared governance." Such a phrase is generally used to describe two recent trends: privatization and subsidiarization. Wide arrays of public programs and services have been privatized in Alberta. Highway maintenance, liquor sales, and registry services are just a few of the many public services which were once delivered by the public sector and now delivered by the private sector. Other public services such as standard setting, inspection, and other regulatory activities have become "privatized" through partnership between the public, private, and/or not-for-profit sectors. In such cases free-standing private organizations, both profit and not-for-profit have been established to provide such services.

Subsidiarization is essentially synonymous with devolution, the delegation of power from the Province to local/regional authorities. Alberta's Regional Health Authorities (RHAs) are again an example. The establishment of authorities to deliver services to developmentally delayed Albertans is another. Subsidiarization initiatives have not been pursued without controversy. The question whether Board members of RHAs should be elected or appointed illustrates that reality. Arguments are couched in terms such as "democracy" and "accountability."

Such debates obscure the larger question, "What are the RHAs mandated to do?" This is a critical question, one that calls for a distinction between being elected, as the government of the Province on the one hand, and appointed/elected to govern an RHA on the other. The RHAs were assumedly established to enhance the effectiveness, efficiency, and economy of the ***delivery*** of

health care services across Alberta. One would also assume the RHAs were established on a franchising model, to deliver a "fixed menu" of core services to core standards across the Province.

In fact, the RHAs have in some cases ***reallocated*** resources provided for established programs. Home care is a good example. If such reallocation of resources and ***redesign*** of established ***provincial*** services is in fact the mandate of the RHAs then a provincial health care system has ceased to exist. "Balkanization" into 17 different systems can be the only result.

Regional variances in the ***pattern*** of service delivery can be expected within a Province as large and diverse as Alberta. Residents in isolated areas of the Province do not expect the "menu" of services available in their region to be as extensive as the "menu" of services in Calgary or Edmonton. However, they ***do*** expect that the primary care services on the "menu" will be delivered at core standards. This surely is the essence of the "franchising" agreement between RHAs and the Government of Alberta. Surely the RHAs were established to share governance of the ***delivery*** of health care services, not governance of the health care system. This is a critical distinction. The Provincial Government is elected, among other things, to govern the health care system of the Province. The Boards of the RHAs were established to share in the governance of ***delivery*** of health care services.

The same issue of core services at core standards arises with privatization. Here again the popularity of "alternative service delivery" mechanisms has led to "shared governance." In the case of maintenance of Alberta's highways, private sector companies are now contracted to maintain the highways within a given area of the Province. Surely Albertans do not now expect that these area maintenance contracts permit a private sector company to unilaterally decide to remove road kill only once a year. Surely Albertans consider the removal of road kill to be a core service within a highway maintenance agreement and that the service should be delivered at a core standard across the Province. Albertans expect Alberta's highway system to be just that, i.e. a ***system***. Shared governance of highway ***maintenance*** is not shared governance of the highway ***system***.

The Roles of Government

The foregoing discussion underscores a critical reality. Albertans have a strong and visceral sense of "What it means to be an Albertan." This provincial identity may, at times, seem to be superseded by regional identity. Such regional identities are important, providing meaning and context for communities. However, in the long run Provincial identity remains strong and relevant. Part of that identity includes the expectation that governments will declare a direction and set policy for the whole Province. Service delivery strategies are very much secondary to this expectation. In Alberta's history, services have been directly delivered by the Province, as in the case of the Provincial telephone system. They have been delivered by local cooperatives, as in the case of natural gas transmission, within a policy framework provided by the Provincial Government. Albertans have long experienced "alternative service delivery" and they have long had partners in "shared governance" of the service delivery system. They have held the belief that government in Alberta has two key roles:

- developing policy for the whole Province,
- assuring that the services enabled by the policy are accessible to all Albertans.

Governments in Alberta will continue to have these two key roles in the next century. Albertans will expect their government to be in the "business" of setting policy for the entire Province. They will expect government to be in the "business" of assuring that intended results of that policy are reasonably uniform across the Province. The essence of the challenges facing governments in the next century will be defining a shared vision for ***all*** of Alberta and for ***all*** Albertans. The "special interests" of one economic sector or one geographic region must be subsumed within the larger interests of all Alberta. This reality holds significant implications for public policy and management in the future as discussed in the next section.

PUBLIC POLICY AND MANAGEMENT CHALLENGES

Economic and Political Rationality

The preceding discussion on shared vision, the role of government, and shared governance underscores a universal and timeless reality about public policy – the need for balance between economic and political rationality. Economic rationality, whether defined by fiscal solvency, "business like" management, or economic growth is insufficient to the challenge of workable public policy. Economic rationality must be balanced and integrated with political rationality. Concerns with morality, justice, fairness, and a larger sense of purpose are as critical to public policy that works as are outcomes, performance indicators, benchmarks, and business plans. As Albertans discuss the future of their Province and their government plots a new post-deficit agenda, the need to link political rationality with economic rationality should be carefully considered. Pursuing societal outcomes based on competitiveness, social cohesion, and population health provides a solid base of economic rationality to guide public policy. Citizenship, opportunity, and fairness provide a solid base of political rationality to guide the same result.

Changing Definitions of Policy

Developing policy that effectively supports both economic and political rationality requires an appreciation of the changing definition of policy. There are four specific types.

- ***Administrative Policy*** – This type of policy deals with the challenges of planning, budgeting, and controlling. It is focused on *expenditure of inputs*, e.g. resources of dollars, people, equipment, and physical plant. *Accountability for dollars spent* is the primary concern of administrative policy.

- ***Program Policy*** – This type of policy deals with the marshalling of resources to achieve a set of objectives, objectives that define the impact of those marshalled resources upon a particular group. Seniors' housing, women's shelters, and early childhood education are all programmatic expressions of policy. *Accountability for the impact* of the program *upon the client group* is the primary concern of program policy.

- ***"Business" Policy*** – This type of policy deals with goals and objectives of a higher order than programs. Business policy demands consideration of the impact of services and/or programs upon a range of stakeholders beyond the client group. Changes to income support programs, e.g. Social Assistance, to facilitate training/employment illustrate this shift in policy from a programmatic to a "business" definition. Accountability for the *impact of programs* upon *other stakeholders* is the primary concern of "business policy."

- ***Policy as Societal Outcomes*** – This is a relatively new and still emerging type of policy. It has various roots, among them the growing awareness and appreciation that population health is an outcome of public policy that extends far beyond the health care system. Population health results from economic policy (fiscal strategy), social policy (training, employment, and income security), as well as environmental policy (air and water quality). Competitiveness of an economy is another example of policy as *societal outcomes*. A jurisdiction's competitiveness is the result of tax policy, trade and tariff policy, workplace policy, and regulatory regime. Accountability for *societal impacts* such as competitiveness or population health typify this emerging type of policy.

Much of public policy and management is rooted in administrative policy and program policy. Current preoccupation with "alternative service delivery" confirms this reality. Yet reforms of the Klein Government demanded government departments look beyond the objectives of their programs and the benefits to their clients. Through the business planning process departments were urged to consider the impact of their programs on a higher level of goals and objectives. Eliminating "red tape" and its impact on the private sector was one such goal. As well, the Klein Government has asked Government departments to link the impact of their business plans to the

societal outcomes of "People, Prosperity, and Preservation." The net result is that the Klein Government has largely defined policy in the business and societal outcomes context. The public service which supports it has continued to be structured and organized to support administrative and programmatic policy. The policy development and management techniques of the public sector developed for the 1960s and 70s are simply inadequate to the challenge of the 1990s and a new century.

Summary

The above discussion reflects the following:

- Albertans expect their provincial government to set direction for the Province through policy that addresses all Albertans and all regions of Alberta.
- Government in the next century is not possible without further "restructuring. Our definitions of policy are changing. Fiscal solvency and "alternative delivery systems" are insufficient adjustments to the public policy and management systems and processes established for an earlier era.
- Albertans expect that provincial policy will reflect political as well as economic rationality.
- Leadership committed to the principles inherent in the concepts of citizenship, opportunity, and fairness is as important as management dedicated to competitiveness, social cohesion, and population health.
- Albertans expect that provincial policy and services enabled by that policy will in areas such as health care reflect a provincial service system delivered to core standards.
- Albertans expect that the delivery systems established to deliver these provincial services are mandated and structured to facilitate delivery of provincial services to core standards.

SUMMARY & CONCLUSIONS

The 1997 Growth Summit is the symbolic door to Alberta's future. Before, during, and after the summit Albertans will discuss the future of their Province and plot its course into the next millennium.

There are many agendas for these discussions. One agenda surrounds the challenges of economic growth, realization of its potential, maximization of its benefits, and mitigation of its costs. A second agenda surrounds development of a sustainable and affordable policy/expenditure framework to guide the decision making of the Alberta Government. A third agenda that is inherent within the second is Alberta's definition of the role of government in post-deficit Canada. A fourth agenda surrounds development of a vision for Alberta's communities in the Province's second century. And finally, a fifth agenda, arising largely from the fourth, concerns Alberta's role in the Canadian federation and the leadership Albertans offer other Canadians.

These various agendas may not be explicitly detailed in the kits supplied to the Summit participants. They may not be apparent to those participating in the various mini-summits held across the Province preparatory to the Growth Summit. They may not be obvious to observers of the Summit process. But, Premier Klein and his Government have made a large investment in the Summit. Its findings will be "grist for the mill" as Cabinet and Caucus plot the course of the Government's second term. In that second term the following questions will be answered, either explicitly or implicitly by the Premier, his Government, the Province and its people.

Agenda 1: Challenges of Economic Growth

- What is Alberta's vision of growth for the future?
- How will the benefits of growth be distributed?
- How will the costs of growth be allocated?

Agenda 2: Sustainable and Affordable Policy/Expenditure Framework

- How will fiscal responsibility of government be defined in the future?
- Through tax cuts?
- Through spending limits?
- Through strategic investments?

Agenda 3: The Role of Government in Post-Deficit Canada

- What is the role of government in Alberta?
- What is the role of markets and the private sector?
- What is the role of the Provincial Government relative to the role of local government?

Agenda 4: A Vision for Alberta's Communities

- What values will be expressed in Alberta's communities of the future?
- What are the roles of the Provincial Government, the private sector, and the voluntary sector in shapingtheexpression of these values?
- How will the interdependence of Albertans be defined within Alberta's communities?
- What role will Albertans who are disabled and/or disadvantaged play in their home communities?

Agenda 5: A Vision for Canada

- What is Alberta's vision of Canada in the next century?
- What role will Albertans play in shaping that vision?
- What core values do Albertans wish to see expressed within a renewed federation?

Whether it is apparent or not, discussions related to the Growth Summit commence the Provincial dialogue on these questions. Albertans are defining priorities and charting a course for the future. Whether or not they are appreciative of the implications of the priorities selected and the course charted, the impact and import remain the same. This is the reality arising from the context in which the Growth Summit has been convened. For better or for worse, these same realities define its various agendas.

Appendix A: List of Previous Discussion Papers

Reports produced by the Premier's Council on the Status of Persons with Disabilities

- *A New Context; A New Vision. A paper to stimulate discussion on social and economic policy in the new Alberta context.*
  (December 1995)

- *What will it mean to be an Albertan in the 21st century?*
  A Discussion Paper (July 1996)

- *Citizenship, Opportunity, Fairness: Alberta in the new millennium.*
  A Discussion Paper (September 1996).

- *What will it mean to be an Albertan in the 21st century?*
  Report of the forum sponsored by the Premier's Council on the Status of Persons with Disabilities, Edmonton, October 1996 (December 1996).

- *From the Welfare State to the State of Well-*Being: *Towards a social vision for Alberta*
  A Discussion Paper (March 1997).

- *Regional Governance:* A *Foundation for a new social vision.*
  A Discussion Paper (April 1997).

- *What will be mean to be an Albertan in the 21st Century? ... The Calgary Perspective*
  Report on the Forum Involving Calgary's Business and Community (April 26, 1997). Sponsored by the Premier's Council on the Status of Persons with Disabilities and the Bethany Care Society.

To request a copy of any or all of these documents, call the Premier's Council at (403) 422-1095 or 1-800-272-8841.